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## Clearing the cobwebs about savings and investments

Spring-cleaning is a wonderfully cathartic exercise which can give us a whole new lease on life. In the spirit of clearing the cobwebs this September, Neil Thompson, Head of Product and Customer Value Proposition at African Bank, debunks some myths about savings and investments.

“There are many people who shudder at the mention of ‘best savings interest rates’ or things like ‘money saving strategies’, but this is unnecessary. Managing your money need not be complicated and financial freedom is certainly within everyone’s grasp,” he says.

Thompson points out that it is often a negative mindset towards money which creates barriers to financial success - *believing* you are bad with money or will never have enough money to save could be your downfall.

Age often also plays a part in how people view saving and investing.

“While a 20-something who has just started working could care less about a fixed interest rate, it will be very important to someone over 40 exploring savings options for retirement.

“The reality is it is never too soon or too late to start saving, but sooner is definitely better than later.”

### 5 savings and investment myths debunked:

1. You need money to make money. There are a variety of investment products available today which require a minimum deposit each month. African Bank’s fixed deposit account, for example, requires only R500 to earn South Africa’s best interest rate.
2. It is impossible to save money on a low salary. Everyone can save. The point of saving is to start. Putting just a small amount away each month adds up.
3. Investing is for the super wealthy. Making wise investments can make you wealthy, yes, but anyone can become an investor. There are many ways to invest in South Africa, but one of the most popular money saving strategies is a fixed savings account where you earn the highest interest rates.
4. Money is locked in for years in an investment account. Find a product that suits you. With a [notice deposit](#) account from African Bank, for example, you can earn market leading rates for as long as you like and choose to access funds with seven, 32 or 90 days’ notice.
5. Financial advice is very costly. Banks can offer professional advice on which savings and investment products will best suit your needs. You may, however, need a financial consultant to assist with the tax implications of investing.

“There really is no excuse not to be saving or looking at a good investment product which

can help you grow your money for the future,” says Thompson.

“Every year which you are not investing is a year lost and which you will regret if you end up living a frugal retirement as a result of neglecting to plan properly.

“Today is the perfect time to clear the cobwebs about saving and investing and get onto a path to financial freedom later in life.”

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